

New Companies Ordinance
Briefing Notes on
Companies (Fees) Regulation

BACKGROUND

The Eighth Schedule to the Companies Ordinance, Cap. 32 (“Cap. 32”) provides for the fees payable to the Registrar of Companies (“the Registrar”) in respect of the matters mentioned in the Schedule. Under the new Companies Ordinance (“new CO”), the Financial Secretary is empowered to make regulations to require payment to the Registrar of fees in respect of the performance of any of the Registrar’s functions or the provision of services or facilities by the Registrar. The Financial Secretary has made the Companies (Fees) Regulation pursuant to sections 26 and 909 of the new CO with the approval of Legislative Council.

THE SUBSIDIARY LEGISLATION

Companies (Fees) Regulation (“the Regulation”)

Major Changes

2. The Regulation basically re-enacts the Eighth Schedule to Cap. 32. The major change is that the Regulation introduces an escalating scale of annual registration fee in the case of late filing of an annual return of a company limited by guarantee. This initiative aims at encouraging compliance of statutory filing requirement by companies limited by guarantee.

Position under Cap. 32

3. The annual registration fee payable by a company limited by shares upon delivery of its annual return is subject to an escalating scale in the case of late filing. The escalating scale for companies limited by shares was introduced in 1988 and was extended to non-Hong Kong companies in 2007. In contrast, companies limited by guarantee are not subject to an escalating scale for late filing of annual returns.

Position under the new CO

4. Item 6 in Part 2 of Schedule 1 to the Regulation provides for an escalating scale of annual registration fee of an annual return of a company limited by guarantee. The scale is the same as the one applicable to a private company limited by shares and is as follows:

<u>Matter</u>	<u>Fee</u>
Annual registration fee for an annual return delivered under section 662(3) of the new CO –	
(a) if the annual return is delivered within 42 days after the company's return date	\$105
(b) if the annual return is delivered more than 42 days after but within 3 months after the company's return date	\$870
(c) if the annual return is delivered more than 3 months after but within 6 months after the company's return date	\$1,740
(d) if the annual return is delivered more than 6 months after but within 9 months after the company's return date	\$2,610
(e) if the annual return is delivered more than 9 months after the company's return date	\$3,480

The Regulation

5. The fees are set out in four schedules to the Regulation:
- (a) *Schedule 1* specifies the fees payable to the Registrar in relation to the registration of a company or for the registration of documents delivered to the Registrar;
 - (b) *Schedule 2* specifies the fees payable to the Registrar for inspecting or obtaining documents or information on the Companies Register;
 - (c) *Schedule 3* specifies the fees payable for obtaining the Registrar's approval or licence under the new CO; and
 - (d) *Schedule 4* specifies miscellaneous fees.

TRANSITIONAL AND SAVING ARRANGEMENTS

6. Under Cap. 32, the fees are set out in the Eighth Schedule to it. The Eighth Schedule continues to apply to a matter that is required or authorized by or under a provision of Cap. 32 having a continuing effect as mentioned in section 914(1) of the new CO if, before the commencement of the new CO, a fee specified in the Eighth Schedule was payable to the Registrar in respect of the matter.

Companies Registry
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